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Financial results exceed expectations: SCHOTT reports a successful year and increases investments

- Growth strategy yields positive results: Group sales increased by 13% to EUR 2.5 billion
- New record investment of EUR 450 million planned for 2022

The international specialty glass manufacturer SCHOTT achieved positive financial results for the 2020/21 fiscal year: Sales rose to EUR 2.5 billion, amounting to an increase of 13%, compared to the previous year. Operating income (EBIT) also increased by EUR 102 million to EUR 390 million (+ 35 %), resulting in a consolidated net profit of EUR 289 million (+ 45 %). This positive development was particularly driven by exceptional demand in the household appliances sector. Additionally, products for the pharmaceutical industry also contributed to achieving these positive results. Despite the complications resulting from the pandemic, SCHOTT was able to realize its record investment of EUR 350 million; investments were made primarily at locations in Germany, China and the USA, which also resulted in over 1,000 additional jobs. "Thanks to our diverse product portfolio, we were able to stay on course and successfully close out the fiscal year," said CEO Dr. Frank Heinrich at the annual press conference in Mainz, adding, "With a new record investment of EUR 450 million, we are laying the foundation for further profitable growth in the coming years." However, rising energy, raw material, and logistics costs, as well as strained supply chains and chip shortages, pose new challenges for our company.

Growth strategy yields results, positive net liquidity

Through profitable growth and strong productivity increases, all business units contributed to overall earnings. Furthermore, investments from the last three years are also yielding results. "Our strategy of investing well above depreciation is paying off," said CFO Dr. Jens Schulte. "With net liquidity of EUR 79 million and an equity ratio of 41% - seven percentage points higher than last year - we are in a strong position." According to the balance sheet, the company created around 1,000 new jobs by the end of September, totaling to 17,300 current employees (+5%), with approximately 6,000 located in Germany.

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Pharmaceutical solutions and products for household appliances and consumer electronics are top performers

In 2021, SCHOTT supplied pharmaceutical vials for over 5 billion doses of COVID-19 vaccines. Moreover, solutions for the pharmaceutical industry also developed well regardless of the pandemic. Pharmaceutical companies were particularly in demand for "high-value" products such as pre-fillable syringes, coated vials or ready to use packaging.

Many people redesigned their homes during the pandemic while "cocooning." For SCHOTT, this meant double-digit growth rates for CERAN® cooktop panels and ROBAX® fire-viewing panels and flat glass used in ovens and microwaves.

Consumer Electronics also showed signs of growth. The increasing demand for premium smartphones had a positive effect on cover glass: SCHOTT's specialty glass enables manufacturers like Samsung and Vivo to produce unique designs for extremely break-resistant covers and ultra-flexible cover glass for foldable cell phones.

Successful M&A activities and investments in focus markets

SCHOTT has set the course for the future with strategic acquisitions and divestments: By [acquiring the American diagnostics company AMI](#), acquiring the American diagnostics company AMI, SCHOTT is building up expertise in the booming diagnostics market and strengthening its presence in the USA. The company also [sold the Gemtron subsidiary in North America](#) after deciding to focus its future flat glass business on Europe and South America. In record time, SCHOTT established a production facility in [China for FIOLAX® pharmaceutical tubing](#), making it the company's first fusion site in the focus region at the same time. In India, the company also expanded FIOLAX® manufacturing to supply the Indian pharmaceutical industry and neighboring countries with high-quality pharmaceutical glass.

The company also invested millions of euros in a modern manufacturing facility at the [Turkish flat glass site SCHOTT Orim in Bolu](#), which is scheduled to operate at the beginning of 2022. In Germany, more precisely in Müllheim in Baden, the company invested more than EUR 100 million in a new manufacturing facility for polymer syringes, including those used for mRNA vaccines. As the largest investment project in the history of the company, production is scheduled to start in Spring 2022. "Despite the corona crisis, all of our projects remain on track thanks to the incredible commitment of our teams," said CEO Heinrich.

Outlook: Innovation as a driver of growth

For the first time, the United Nations has dedicated a material as the motto of the year, designating 2022 as the “UN International Year of Glass.” Thanks to its versatility, glass is a pioneer in many high-tech applications, offering unimaginable possibilities for current challenges in today’s society.

- More computing power for microchips is made possible by high-precision FLEXINITY® connect glass wafers, which will replace polymer as a material.
- Leading smartphone manufacturers such as Vivo will launch the first devices with the extremely break-resistant [Xensation® α cover glass](#)..
- New [CERAN® Luminoir](#) glass ceramic cooktops will bring new lighting designs to smart kitchens.

Further steps towards climate neutrality

By switching to certified green electricity, SCHOTT has come much closer to reaching its goal of becoming climate neutral by 2030. With [ambitious projects](#), some of which are publicly funded, the company is developing new technology that can heat energy-intensive melting tanks without using fossil fuels in the future. The company is thus setting new standards for the glass industry.

Record investment despite increasing costs

SCHOTT expects to grow between three to five percent within the new fiscal year, which has started successfully. "The rising energy and raw material costs present us with major challenges. In order to offset these effects, we will need to increase efficiency and raise prices," predicts Heinrich. Nevertheless, SCHOTT remains committed to its profitable growth strategy and is planning another record investment of EUR 450 million. Among other things, the company aims to triple the production of pharmaceutical solutions in China. Heinrich: "We have a balanced portfolio and offer customers innovations for future technologies. Our solid balance sheet and planned investment projects leave me optimistic that we will perform well in the upcoming fiscal year once again."

Trademarks: CERAN® , FIALAX® , FLEXINITY® , ROBAX® , Xensation®

Key figures for fiscal year 2020/2021

in EUR millions	2020/2021	2019/2020	Change in %
Sales	2,524	2,238	13
Earnings before interest and taxes (EBIT)	390	288	35
Net profit for the year	289	199	45
Free cash flow	172	95	55
Net liquidity (financial balance)	79	-11	---
Investments in property, plant and equipment	333	318	5
Equity	1,351	997	36
R&D expenses	93	92	1
Number of employees as of balance sheet date	17,313	16,466	5

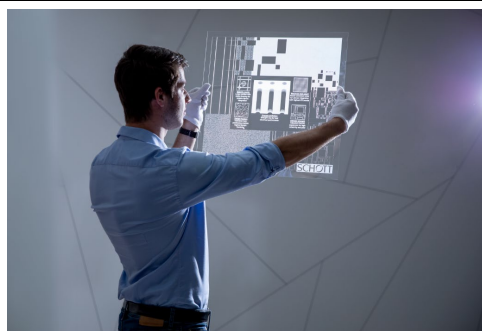
Pictures

<p>Products for the pharmaceutical industry made a significant contribution to SCHOTT's successful fiscal year. Photo: Copyright SCHOTT</p>	<p>SCHOTT manufactured pharmaceutical vials for over 5 billion doses of COVID-19 vaccines in calendar year 2021. Photo: Copyright SCHOTT</p>

<p>SCHOTT has developed an extremely break-resistant cover glass for smartphones: Leading manufacturers such as Vivo are launching the first devices with Xensation® α cover glass. Photo: Copyright SCHOTT</p>	<p>SCHOTT aims to become climate neutral by 2030 and is applying new technology to replace fossil fuel used for heating glass tanks with green electricity. Photo: Copyright SCHOTT</p>



An important driver of SCHOTT's positive business development in 2020/21 was the exceptional demand in the home appliances sector, ensuring high production of CERAN® glass-ceramic cooktops.
Photo: Copyright SCHOTT



Ultra-fine structured glass from SCHOTT enables the manufacturing of complex 3D microchips for AI applications, data centers and high-performance computers.
Photo: Copyright SCHOTT

Pioneering. Responsibly. Together.

These attributes characterize SCHOTT as a manufacturer of high-tech materials based on specialty glass. Founder Otto Schott is considered its inventor and became the pioneer of an entire industry. Always opening up new markets and applications with a pioneering spirit and passion – this is what has driven the #glasslovers at SCHOTT for more than 130 years. Represented in 34 countries, the company is a highly skilled partner for high-tech industries: Healthcare, Home Appliances & Living, Consumer Electronics, Semiconductors & Datacom, Optics, Industry & Energy, Automotive, Astronomy & Aerospace. In the fiscal year 2021, its 17,300 employees generated sales of 2.5 billion euros. With the best teams, supported by the best digital tools, the group intends to continue to grow. SCHOTT AG is owned by the Carl Zeiss Foundation, one of the oldest foundations in Germany. It uses the Group's dividends to promote science. As a foundation company, SCHOTT has anchored responsibility for employees, society and the environment deeply in its DNA. The goal is to become a climate-neutral company by 2030.

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